

October 2, 2026

Mr. Justin McNeil
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: *Electronic Application of Atmos Energy Corporation For Certificates of
Public Convenience and Necessity for Projects to be Included in the
Pipeline Modernization Rider*
Case No. 2026-00202

Dear Mr. Justin McNeil:

Enclosed, please find for filing, Atmos Energy Corporation's Responses to Commission Staff's First Request for Information in the above styled case.

This is to certify that the electronic filing has been transmitted to the Commission on October 2, 2026, and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085 no paper copies of this filing will be made.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

Heather Temple

Heather S. Temple

Enclosure

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

ELECTRONIC APPLICATION OF ATMOS)
ENERGY CORPORATION FOR CERTIFICATES)
OF PUBLIC CONVENIENCE AND NECESSITY) CASE NO.
FOR PROJECTS TO BE INCLUDED IN THE) 2026-00202
PIPELINE MODERNIZATION RIDER)

CERTIFICATE AND AFFIDAVIT

The Affiant, Ryan A. Chastain, being duly sworn, deposes and states that the attached responses to Commission Staff's first request for information are true and correct to the best of his knowledge and belief.

Ryan A. Chastain

Ryan A. Chastain

STATE OF TENNESSEE
COUNTY OF WILLIAMSON

SUBSCRIBED AND SWORN to before me by Ryan A. Chastain on this the 1st day of October, 2026.

Pamela Pleasant

Notary Public

My Commission Expires: 01-24-2028



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REQUEST:

Refer to the Application, page 3, paragraph 5. Refer also to Attachment RC-1. Refer further to Direct Testimony of Ryan A. Chastain (Chastain Direct Testimony), page 9, lines 16-21.

- a. Provide a detailed cost breakdown for each project that compares the cost of pressure-testing of the lines versus the costs of line replacement, separately in Excel spreadsheet format, including all calculations, with all formulas, columns, and unprotected rows and fully accessible. Provide any supporting workpapers.
- b. Explain the difference between the length of the pipelines in paragraph 5 and the Attachment RC-1.
- c. Provide the length, diameter/size, and material of each project's pipeline in a table comparing the existing pipeline with the replacement pipeline for the 5,600-foot and 2,300-foot project segments.

RESPONSE:

- a. As described in Chastain Direct Testimony and in Case No. 2024-00276, Atmos Energy's response to Commission Staff's First Post-Hearing Request for Information, Atmos Energy has not developed a detailed pressure-testing cost estimate for these two projects, which were included in Attachment TRA-5 in Case No. 2024-00276. A meaningful spreadsheet comparison would require a defined testing scope and cost estimate for each segment. The Company did not develop a testing scope or cost estimate because pressure testing these pipelines is not a practical option. The pipelines are not "piggable" due to factors including diameter changes, tees, and insufficient radius bends. These factors also make the pipeline impractical to test with water as it would not be viable to remove the water from the lines because the inability to "pig." In pipeline safety, "piggable" refers to the ability of a pipeline to allow a measurement device, or "pig," to enter and exit without damaging the pipe or the measurement device. In addition to measurement, pigs are inserted into pipelines to clean and inspect the pipeline from the inside.

Additionally, the existing pipeline mileage referenced does not have sufficient material records on wall thickness and grade necessary to perform a pressure test without additional material verification. To safely perform these tests, the wall thickness and grade must be known. Otherwise, manufacturing-related or construction-related defects may fail. This would potentially result, beyond the safety risks alone, in replacing significant amounts of pipe because of testing. In addition, the pressure testing would heavily increase O&M spending not just for the cost of pressure testing, but also, to account for long-term outages while the tests and any replacements are performed that would require sustained use of liquified natural gas ("LNG") or compressed natural gas ("CNG") supply to be trucked in continuously to supply those customers with natural gas in the interim period.

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Estimates for retesting of the pipelines are not easy nor quick to obtain, as stated previously in Case No. 2024-00276. Detailed design plans would need to be drawn up for each segment of pipe that has to be pressure tested. For every section the Company would need items such as flow analysis, where to cut and cap sections of pipe, and the effect on other lines all while maintaining continuity of service. The pipes would need to be completely isolated and separated from the existing pipeline, and LNG or CNG would need to be brought in to supply the customers continuously outside the limits of the work. Once the line is separated for pressure testing, each tap and tie over would have to be exposed and separated to hydrotest the pipe.

During the pressure test process, if any materials were to fail, Atmos Energy would be required by PHMSA regulations to expose and replace a section of pipe, which would not only result in the necessary capital investment but also in additional delays and even more increased costs for providing daily, continuous LNG/CNG supplies. In addition, the pipe that falls under the MAOP reconfirmation in the filing is already 60+ years old, installed in the 1960s before the original 192 code requirements, so there are many unknowns that already exist with these pipelines. For these reasons, Atmos Energy does not consider pressure testing the segments referenced in Chastain Direct Testimony an effective or feasible option from a technological, logistical, and safety perspective.

To prepare the requested Excel comparison for these projects, Atmos Energy would first need to develop segment-specific testing plans, including material verification, isolation and reconnection locations, temporary supply arrangements, and contingencies for failures. Those inputs cannot be derived from the replacement estimates, and therefore we did not consider pressure testing in these segments, and do not have exact cost comparisons.

- b. See Attachment 1 for an updated Attachment RC-1. The two projects in Case No. 2026-00202, Hawesville-Domtar and Bon Harbor, are highlighted in blue for ease of review. All lengths provided in testimony and on Attachment RC-1 are approximate linear footages. While Attachment RC-1 references Geographic Information Systems (GIS) mapping for Atmos Energy's pipelines that lie within a Class 3 location, actual construction installation footage may differ because of field characteristics and where the proposed line will lay in relation to and tie into the existing pipeline to be replaced. The planned replacement footage includes contingencies to cover the affected Class 3 pipe and allow tie-ins to be completed in locations that are safely accessible by field crews.

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- c. Pipe specifications of the existing pipelines and replacement pipelines for the proposed projects are shown in the table below. Also see Attachment 2.

Project	Existing								Proposed							
	Length (ft)	Size (OD)	Material	Wall Thickness	Grade	SMYS	MAOP	% SMYS @ MAOP	Length (ft)	Size (OD)	Material	Wall Thickness	Grade	SMYS	MAOP	% SMYS @ MAOP
Domtar - Hawesville	5600	6.625"	Steel	UNK	UNK	UNK	500 psig	36.7%*	5600	8.625"	Steel	0.322"	X52	52000 psig	500 psig	12.9%
Bon Harbor	320	8.625"	Steel	0.219"	UNK	UNK	529 psig	43.4%*	700	8.625"	Steel	0.322"	X52	52000 psig	529 psig	13.6%
	475	6.625"	Steel	UNK	UNK	UNK	529 psig	38.8%*	N/A							
	1505	4.5"	Steel	UNK	UNK	UNK	529 psig	26.4%*	1600	4.5"	Steel	0.237"	X52	52000 psig	529 psig	9.7%

* SMYS Calculations with unknown material verification assumed typical like wall thickness for historical standards and 24000 Yield Strength (S) value as determined in CFR 192.107 (b)(2) for conservative calculations.

ATTACHMENTS:

Staff_1-01_Att1 - Updated Attachment RC-1.xlsx
Staff_1-01_Att2 - Material Specification.xlsx

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REQUEST:

Refer to Chastain Direct Testimony, page 8, line 11-13. Provide the actual historical operating and maintenance (O&M) cost data for comparable segments in Atmos's system that form the basis of this estimate in Excel spreadsheet format, including all calculations, with all formulas, columns, and unprotected rows and fully accessible.

RESPONSE:

The approximation of annual O&M cost per mile was developed using annualized cost data for Atmos Energy's 2609 cost center compared to the pipeline miles maintained within the cost center. This data supporting this calculation is shown in Attachment 1.

ATTACHMENT:

Staff_1-02_Att1 - OM Cost Per Mile.xlsx

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REQUEST:

Refer to the Application, pages 3 and 8, and Case No. 2024-00276, Atmos's response to Commission Staff's First Post-Hearing Request for Information (Staff's Response to First Post-Hearing Request), Item 2, including Exhibit TRA-5.²

- a. For the Hawesville Domtar Line (Domtar) project:
 - 1. Confirm whether this is the pipeline with an in-service date of 12/5/1964 listed on Exhibit TRA-5.
 - 2. State what portion of the \$6,124,697 listed as Estimated Capital Cost in Exhibit TRA-5 for the three projects including Domtar was attributable to Domtar.
 - 3. Confirm that the Estimated Capital Cost in Exhibit TRA-5 attributable to Domtar has not changed. If unable to confirm, provide an updated estimated capital cost for Domtar and explain the difference.
 - 4. Explain the difference in pipeline length between the Application and Exhibit TRA-5.
 - 5. Explain whether pressure testing to comply with the PHMSA Mega Rule is feasible from a technological, logistical, and safety perspective, including a discussion that addresses the issues raised in Atmos's Response to Staff's First Post Hearing Request, Item 2(b).
 - 6. Explain whether retrofitting existing pipeline for ILI tool capability to comply with the PHMSA Mega Rule is feasible from a technological, logistical, and safety perspective, including a discussion that addresses the issues raised in Atmos's Response to Staff's First Post-Hearing Request, Item 2(b).
- b. For the Bon Harbor Field Lines (Bon Harbor) project:
 - 1. Confirm whether this is the pipeline with an in-service date of 8/1/1964 listed on Exhibit TRA-5.
 - 2. Explain the difference in pipeline length between the Application and Exhibit TRA-5.
 - 3. Explain the difference in estimated cost _ between the Application and Exhibit TRA-5.
 - 4. Explain whether pressure testing to comply with the PHMSA Mega Rule is feasible from a technological, logistical, and safety perspective, including a discussion that addresses the issues raised in Atmos's response to Staff's First Post Hearing Request, Item 2(b).
 - 5. Explain whether retrofitting existing pipeline for ILI tool capability to comply with the PHMSA Mega Rule is feasible from a technological, logistical, and safety perspective, including a discussion that addresses the issues raised in Atmos's response to Staff's First Post-Hearing Request, Item 2(b).

² Case No. 2024-00276, Electronic Application of Atmos Energy Corporation for an Adjustment of Rates; Approval of Tariff Revisions; and Other General Relief (filed May 28, 2025), Atmos's Response to Commission Staff's First Post-Hearing Request for Information.

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- c. For both projects:
1. Provide the estimated useful life of the replacement pipeline.
 2. Provide the estimated cost of pressure testing (if feasible) and retrofitting for ILI capability (if feasible) over the expected useful life of the proposed projects.

RESPONSE:

See Attachment 1 to Staff 1-01 for the updated table, Attachment RC-1. For ease of review, the two projects are highlighted in blue.

Town	Length (ft)	Length (mi)	In-Service Date	Outside Diameter	MAOP	% SMYS at MAOP	Consequence Area Type	Proposed MAOP Reconfirmation Method	Forecast Reconfirmation (Fiscal Year)	Current Estimated Capital Cost
Barnsley	4788	0.9	11/1/1992	8.625	900	28.7%	HCA	Pressure Test	2022	Complete
Barnsley	6138	1.2	1/1/1965	4.5	900	30.8%	HCA	Pressure Test	2022	Complete
Barnsley	993	0.2	1/1/1965	3.5	900	20.8%	N/A	Pressure Test	2022	Complete
St. Charles	10032	1.9	12/31/1968	8.625	850	46.4%	N/A	Pressure Reduction	2023	Complete
Murfreesboro	10695	2.0	10/7/1997	8.625	550	30.0%	HCA	Pipe Replacement	2025	Complete
Hawesville	206	0.0	7/25/1969	6.625	594	43.6%	N/A	Pipe Replacement	2025	Complete
Hawesville	5916	1.1	7/16/1968	8.625	594	56.8%	N/A	Pressure Reduction	2025	Complete
Hawesville	5650	1.1	12/5/1964	6.625	594	29.9%	N/A	Pipe Replacement	2026	In Progress
Madisonville	6142	1.2		6.625	594	43.6%	MCA	Pipe Replacement	2026	In Progress
Madisonville	4699	0.9	11/25/1955	6.625	425	23.5%	N/A	Pipe Replacement	2026	Complete
Hawesville	5322	1.0	11/15/1966	6.625	500	36.7%	N/A	Pipe Replacement	2027	\$ 2,511,740.00
Bon Harbor	2202	0.4	8/1/1964	6.625*	529	38.8%**	N/A	Pipe Replacement	2027	\$ 935,802.00
Paducah	20333	3.9	11/14/1954	8.625	395	28.4%	N/A	Pipe Replacement	2028	
Paducah	11508	2.2	12/4/1969	8.625	395	37.8%	N/A	Pipe Replacement	2029	
Paducah	5185	1.0	9/16/1958	8.625	395	37.8%	N/A	Pipe Replacement	2030	
Paducah	3860	0.7	9/4/1956	8.625	395	37.8%	N/A	Pipe Replacement	2030	
Paducah	16558	3.1	10/12/1959	8.625	395	37.8%	N/A	Pipe Replacement	2031	
Paducah	667	0.1	7/13/1970	6.625	395	29.0%	MCA	Pipe Replacement	2032	

* Bon Harbor Field Lines consist of 3 separate pipe sizes with different outside diameters. For calculations of SMYS, 6" Nominal Pipe Size was utilized
** Reference "DR- Material Specification" Spreadsheet for breakout of pipe characteristics

- a.
1. This is not the pipeline with an in-service date of 12/5/1964 listed on Exhibit TRA-5. The Domtar pipeline has an in-service date of 11/15/1966.
 2. The Domtar project was not included in the three projects with the estimated cost of \$6,124,697 in Exhibit TRA-5. The cost associated with the Domtar project is estimated at \$2,511,740.
 3. The estimated cost for the Hawesville Domtar line has decreased from Exhibit TRA-5. The original estimate was a high-level approximation based on projected construction and material costs. The updated estimated cost is based on current construction and material unit rates we have experienced during similar recent projects.

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4. See updated Attachment RC-1. The lengths provided in testimony and on Attachment RC-1 are approximate linear footages. While Attachment RC-1 uses Geographic Information Systems (GIS) mapping for Atmos Energy's pipelines that lie within a Class 3 location, actual construction installation footage may differ because of field characteristics and where the proposed line will lay in relation to and tie into the existing pipeline to be replaced. Contingencies for pipe footage are added to maintain that we are safely replacing all the footage within the Class 3 locations, and that all tie ins are safely accessible by field crews.
 5. Please see the response to Item 1. Additionally, pressure testing is not feasible from a technological, logistical, and safety perspective. Also, as mentioned in the Chastain Direct Testimony, pressure testing alone will not satisfy PHMSA Mega Rule requirements for the Hawesville Domtar line as we do not have Traceable, Verifiable and Complete (TVC) material property records for this pipeline. Atmos Energy would also have to excavate the existing line in numerous locations to collect full material records.
 6. Retrofitting this pipeline for ILI technology would not be feasible from a technological, logistical, and safety perspective. To ensure piggability, large sections of the pipeline would have to be exposed to check for and remove existing tap tees and potential bends or elbows of insufficient radius. Excavating the pipeline to identify and replace sections to remove "non-piggable" fittings introduces additional safety concerns. To install pig launchers and receivers and to remove fittings and appurtenances that are not designed for piggability, the pipeline would have to be removed from service, impacting downstream customers.
- b.
1. This is the pipeline with an in-service date of 8/1/1964 listed on Exhibit TRA-5 and updated Attachment RC-1.
 2. See updated Attachment RC-1. The lengths provided in Testimony and on Attachment RC-1 are approximate linear footages. While Attachment RC-1 references Geographic Information Systems (GIS) mapping for Atmos Energy's pipelines that lie within a class 3 location, actual construction installation footage may differ because of field characteristics and where the proposed line will lay in relation to and tie into the existing pipeline to be replaced. Contingencies for pipe footage are added to maintain that we are safely replacing all the footage within the Class 3 locations, and that all tie ins are safely accessible by field crews.
 3. The current estimated cost for the Bon Harbor Field lines has decreased from Exhibit TRA-5. The original estimate was a high-level approximation based on projected construction and material costs. The updated estimated cost is based on current construction and material unit rates we have experienced during similar recent projects. The approximate cost associated with this project is \$935,802.

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4. Please see the response to Item 1. Additionally, pressure testing is not feasible from a technological, logistical, and safety perspective. Also, as mentioned in the Chastain Direct Testimony, pressure testing alone will not satisfy PHMSA Mega Rule requirements for the Bon Harbor pipelines as we do not have Traceable, Verifiable and Complete (TVC) material property records for this pipeline. Atmos Energy would also have to excavate the existing line in numerous locations to collect full material records.
 5. Retrofitting this pipeline for ILI technology would not be feasible from a technological, logistical, and safety perspective. To ensure piggability, large sections of the pipeline would have to be exposed to check for and remove existing tap tees and potential bends or elbows of insufficient radius. Excavating the pipeline to identify and replace sections to remove “non-piggable” fittings introduces additional safety concerns. With the layout of the pipeline, multiple pig launchers and receivers would have to be installed to allow for ILI tool capability, which would require that the pipeline be taken out of service for an extended period of time. This pipeline is located within a storage field that is vital to serving Atmos Energy’s customers in the Owensboro, Kentucky area, and such an impact on deliverability introduces a risk to reliability of service.
- c.
1. The estimated useful life of the replacement pipelines is 70 years.
 2. The Company does not consider pressure testing or retrofitting for ILI capability feasible for the existing pipelines, for the reasons explained in the response to Item 1(a). It therefore has not prepared cost estimates for those alternatives.

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REQUEST:

Describe all benefits to replacing the Domtar and Bon Harbor lines other than PHMSA Mega Rule compliance.

RESPONSE:

Replacing the Domtar and Bon Harbor lines not only ensures compliance with PHMSA Mega Rule, but it allows us to eliminate pipelines that were installed in the 1960s for which there are no original construction records. The replacement pipelines will be designed to current pipeline design standards and will increase safety by significantly reducing the percentage of SMYS at which the pipeline operates. The replacements will ensure reliability of service to existing customers and enhance deliverability to support the continued development of the areas where the replacement work will occur as these areas have grown significantly since the original pipe was installed.

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REQUEST:

Explain how Atmos determined what size pipe to use for each of the proposed projects.

RESPONSE:

Atmos Energy evaluated current conditions and potential future demands in flow studies to determine sizing for the pipelines. A change in flow direction within the Bon Harbor storage field necessitated an increase in pipe size of the pipeline feeding well heads and a new pressure regulation station. Increased demand from Domtar and the potential for additional customers in the area impacted the pipeline size determination for that project.